

APPROVED
MINUTES OF THE REGULAR MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY

Wednesday, February 6, 2008

2-A

The meeting convened at 7:15 p.m. with Chair Johnson presiding.

1. ROLL CALL

Present: Chair Beverly Johnson
Boardmember Doug deHaan
Boardmember Frank Matarrese
Boardmember Marie Gilmore
Vice Chair Lena Tam

2. CONSENT CALENDAR

- 2-A. Approve the minutes of the Regular Meeting of January 2, 2008.
- 2-B. Approve Comment Letter to the Navy on the Draft Feasibility Study Report, IR Site 24, Alameda Point.
- 2-C. Approve an Environmental Testing Contract with Weston Solutions, Inc. to Support 2008 Dredging Not to Exceed \$100,000 (to be reimbursed by MARAD).
- 2-D. Approve Renewal of One-Year License Agreement for the Alameda Civic Light Opera at Alameda Point.

Approval of the Consent Calendar was motioned by Member Matarrese, seconded by Member Tam and passed by the following voice votes: Ayes: 5, Noes: 0, Abstentions: 0

3. REGULAR AGENDA ITEMS

3-A. Provide Negotiating Direction Regarding SunCal Companies' Request to Amend the Exclusive Negotiation Agreement to Provide a Time Extension of Mandatory Milestones

Debbie Potter, Base Reuse and Community Development Manager, stated that staff received a letter from SunCal requesting a time extension for several of the mandatory milestones contained in ENA: submittal of the development concept and submittal of the draft master plan. On the original schedule, the development concept, along with an infrastructure plan and business plan, were due on March 19, with the draft master plan due on May 19. With the 6 month extension, the due dates would be September 19 and November 19, respectively. Staff recommends the extension be granted if several conditions are met: information and reporting of existing studies and future studies be conducted in the next 6 months, along with expenditure of funds to conclude some studies necessary to get SunCal to its development concept and draft master plan; and monitoring activities to make sure funds are being spent and work is being undertaken in an aggressive, efficient, and thoughtful way to move SunCal and the community to the development concept and draft master plan.

Member Matarrese asked, for the public's information, the reason why SunCal was requesting an extension. Ms. Potter explained that SunCal requested the extension because they have

concluded that the PDC is not a financially and physically viable land plan. Initially when the ENA was negotiated and the time plan was set in place, the time plan was predicated on the assumption that the PDC would be the land plan, and the work that SunCal would undertake would be to refine that PDC document and refine some of the due diligence work and move the PDC to the next step. With the conclusion by SunCal that the PDC is not a feasible land plan, they have indicated that they would request additional time such that they can use that time to work with the community, continue their due diligence, and come up with what they feel and believe is the best land plan based on financial viability, what the physical constraints of the site would require for a land plan, and what the community would find as a suitable land plan for Alameda Point. Given the research and due diligence that SunCal has done to date, staff is supportive of the notion that, based on their business model, and the assumptions they've made about engineering viability and risks they're willing to take as a company, that the PDC is not necessarily the appropriate land plan for them to carry out as our master planner, and that it makes sense for them to pursue other land plans that may be more feasible from their perspective, financially, technically, and from a market perspective. Staff recommends the time extension with conditions based on performance – that the ARRA Board and community should be comfortable that SunCal is undertaking work to advance the development concept and the draft master plan.

Member deHaan expressed concern that the reports indicate that single family homes are what doesn't make economic sense, but would like to know about the rest of the project, and whether SunCal is satisfied. Ms. Potter explained that the focus of the analysis regarding the viability of the single family homes has been on the north east quadrant of the site, the area that SunCal has concluded single family homes aren't going to work from a technical and physical perspective, but that they are not ruling out single family homes in other areas of the property. The land plan they want to explore would include residential, commercial, adaptive reuse of the existing historic structures, and open space. SunCal is still evaluating the whole range of uses for Alameda Point to understand the proper mix of uses that makes sense and are not deviating from a mixed-use project

Member Matarrese asked whether the peer reviewers concur on the technical reports conducted on the flood plains. Ms. Potter explained that the peer review is limited and focused on the existing conditions as documented by SunCal's consultants and the consultants who worked on the PDC, and the technologies that could be put into place to build the various types of development. What has been missing from the peer review to date is the cost estimates have yet to be prepared. What might need to happen by way of technologies and mitigations to allow development to go forward have not been costed yet, so we know a portion of the equation in terms of the issues that have been identified about liquefaction, seismic and slope stability. The challenge going forward for SunCal is their proposal on how they're going to mitigate those impacts and what they believe will be the appropriate development given the conditions. Ms. Potter clarified for Member Matarrese that our peer reviewers are in agreement with the assessment of the existing physical conditions.

Chair Johnson called the public speakers. David Howard, Action Alameda, discussed density of homes and a cap of 2000 homes at Alameda Point. He also suggested that if the ARRA consider SunCal's extension request, that it should not extend beyond September 30th, expressing concerns that SunCal will use the extra time to fund a ballot initiative in the November election to exempt Alameda Point from Measure A.

The next speaker, Bill Smith, spoke about below-market rate and affordable housing in other Bay Area cities. Following Mr. Smith was Ann Mitchum who discussed placing more accessible

commercial and grocery stores at Alameda Point for low-income and disabled people living at Alameda Point.

The final speaker, Beth Krase, Alameda Architectural Preservation Society, spoke in support of the time extension for SunCal to allow them more time to consider the potential reuses of historic buildings at Alameda Point.

Member deHaan discussed the transportation solutions and housing density with Mr. Pat Keliher, SunCal's Project Manager for Alameda Point. Mr. Keliher affirmed Member deHaan's question on whether SunCal is comfortable with the ambitious schedule.

Member Gilmore discussed that we should fully expect there will be additional information or refinement of information that may change circumstances going forward, and we should take the time to analyze new information and figure out if it changes the plan or timeline. The project is not a race and should be done right, rather than quickly.

Member Matarrese motioned to provide negotiation direction to staff regarding SunCal's request to amend the ENA to provide a time extension of Mandatory Milestones. Member Tam seconded the motion and was passed by the following voice votes: Ayes – 5, Noes – 0, Abstentions – 0.

4. ORAL REPORTS

4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative.

The RAB met on January 10th with two key items on the agenda: 1) Site 24 Feasibility Study which outlined a range of plans for remediation which the Navy will evaluate, and 2) an update on sampling being done and remediation activities of Site 34 along the north west, bounded by the estuary. The next RAB meeting is Feb. 7.

5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

There were no speakers.

6. COMMUNICATIONS FROM THE GOVERNING BODY

Member deHaan requested a follow-up on the discussion regarding the improvements on the piers. Leslie Little, Development Services Director, confirmed that there will be feedback to the ARRA Board at a future meeting.

7. ADJOURNMENT

Meeting was adjourned at 7:52 p.m. by Chair Johnson.

Respectfully submitted,



Irma Glidden
ARRA Secretary